

MEMORANDUM

To: Blue Ribbon Commission on Tax Reform
From: Staff
Re: Items Still Under Consideration
Date: December 5, 2012

Dear Commission, below see the tax reform proposals that are still under consideration:

Individual Income Taxes

Proposal # 1: Add additional tax rates for higher income individuals on the income tax

Proposal # 2: Change the reference to the Federal Code from December 31, 2006 to December 31, 2012

Proposal # 4: Eliminate or reduce the income tax

Proposal # 6: Enact a state Earned Income Tax Credit

Proposal # 7: Implement a tax deduction for 529 college savings plan contributions

Proposal # 8: Limit itemized deductions

Proposal # 9: Make taxable income equal to the federal Adjusted Gross Income (AGI) less a significant standard deduction and tax credit for low income households

Proposal # 10: Tax Retirement income

Proposal # 11: Remove the spousal division on income and deductions

Corporate Taxes

Proposal # 14: Create an R&D Tax Credit

Sales and Excise Taxes

Proposal # 30: Apply sales tax to pre-written computer software.

Road Fund Issues

Proposal # 67: Implement a trade-in credit for new car purchases

Simplicity, Compliance and Tax Administration

Proposal # 89: Review the disparity in the tax code and law between *documented* and *undocumented* boats